

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

March 25, 2002
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Degginger, Councilmembers Creighton, Davidson, Lee, Mosher, and Noble

ABSENT: None.

1. Executive Session

Deputy Mayor Degginger opened the meeting at 6:00 p.m. and announced recess to executive session for approximately 45 minutes to discuss one item of potential litigation, one item of pending litigation, and one personnel item.

At 6:46 p.m., the study session resumed with Mayor Marshall presiding.

2. Oral Communications

(a) Arlene Darby recalled the life and contributions of Helen Hostetter, a Bellevue teacher and counselor who passed away early Saturday morning, March 23. Despite being crippled at age five by polio, Ms. Hostetter led an active life of community service including involvement with the Bellevue Human Services Commission and the advisory boards of the Bellevue Schools Foundation and Overlake Hospital Medical Center. She was a founding member of the committee that created Bellevue Downtown Park, was named honorary member of the Bellevue Police Department, and ran the campaigns of several Bellevue City Council members including Jean Carpenter and Cary Bozeman. Ms. Hostetter was named Bellevue's first "Best Volunteer of the Year" in 1996.

(b) Bellevue Economic Partnership – Introduction of BSQUARE Corporation

Betty Nokes, Bellevue Chamber of Commerce and Bellevue Economic Partnership, introduced Bill Baxter, President and CEO of BSQUARE Corporation. Ms. Nokes said a primary goal of the Bellevue Economic Partnership is to retain and attract businesses to Bellevue. Beginning tonight, the BEP will present a four-part series to showcase existing

businesses and their positive impact on the Bellevue community. BSQUARE will be featured on Channel 22's *The Bottom Line* on April 7 at 8:00 p.m.

Ms. Nokes explained that BSQUARE is a Bellevue-based software development company founded in 1994 to provide solutions to companies developing intellectual computing devices such as webpads, automotive computers, and handheld computers. Mr. Baxter chaired the Washington Software Alliance for the past two years and continues to be active on its board. He has received a number of awards including Ernst & Young's "Entrepreneur of the Year" and a Governor's award for his outstanding contribution in positioning Washington as a technology leader. BSQUARE was recognized as Bellevue Chamber of Commerce's 2001 "Eastside Business of the Year." Ms. Nokes noted that Mr. Baxter is a Bellevue resident. BSQUARE and its 400 employees donate time, talent, and resources to many community charitable organizations.

Mr. Baxter said he and his wife moved to Bellevue from the Midwest in 1993 and started BSQUARE in 1994. He and his wife believe in giving back to the community and understand the importance of continuing this mission with their company and employees.

Mayor Marshall presented a certificate of recognition for BSQUARE's outstanding corporate citizenship and contributions to the community.

3. Study Session

(a) Council New Initiatives

Mr. Lee praised Mr. Baxter's positive impact on the community. He said he is saddened by the passing of Helen Hostetter, who gave so much of herself in her lifetime.

- Mr. Lee moved to direct staff to take appropriate steps to commemorate the life and public service of Helen Hostetter, and Dr. Davidson seconded the motion.
- The motion to direct staff to take appropriate steps to commemorate the life and public service of Helen Hostetter carried by a vote of 7-0.
- Referring to an initiative proposed by Councilmember Lee at the March 18 Regular Session, Mr. Mosher moved to support the Association of Washington Cities' racial justice campaign. Mr. Lee seconded the motion.

Mr. Noble questioned the extent to which support of the initiative would affect Council's and staff's workloads. Mr. Mosher feels the initiative demonstrates support of the concepts. Mr. Lee added that it will provide an opportunity for involvement by cities as they see fit.

Deputy Mayor Degginger suggested bringing the issue back for Council discussion in a couple of weeks. With Council consensus, Mr. Mosher withdrew his motion. Staff will provide additional information prior to the next Council discussion.

Mayor Marshall described a phone call she received over the weekend from residents of Bellevue's Silver Leaf community. They are concerned about a new sign in an adjacent community and the requirements for notification to neighbors such as themselves. Mrs. Marshall said current notification rules apply to residents within 200 feet of a proposed project. She asked Councilmembers if they would be interested in considering action to expand the 200-foot notification radius.

Returning to the racial justice initiative, Mr. Degginger noted that this is not a new issue. He asked staff to research Planning Commission discussions from approximately 1995 on a similar City initiative.

Mr. Mosher read from the AWC's materials on the racial justice initiative. The AWC is not outlining a specific program but rather suggesting that cities develop their own programs to express their commitment to racial justice.

Mr. Lee offered a correction to the English translation of a letter received by the Council from the mayor of Hualien, Taiwan, one of Bellevue's Sister Cities. He clarified that the mayor is describing an active planning proposal and seeking a response from Council and staff.

(b) Update on Neighborhood Investment Strategy Pilot Project

City Manager Steve Sarkozy said the Neighborhood Investment Strategy pilot project in West Lake Hills is nearing its final stage of development.

Cheryl Kuhn, Community Affairs Coordinator, provided an update on the activities of the West Lake Hills Citizen Advisory Committee (CAC), which has been meeting two to four times a month for the past six months. More than 100 residents attended 15 in-home meetings hosted by CAC members in January to provide input on emerging CAC recommendations. Staff and CAC members have also met with stakeholder organizations (Hopelink, Samena Club, Jewish Family Services, schools, and churches) in the West Lake Hills area to provide information about the pilot project and gather feedback.

Ms. Kuhn said a draft neighborhood investment plan containing items to be implemented by both the City and the community will be presented at an open house on April 2 from 5:00 to 8:00 p.m. at Sammamish High School. The CAC is scheduled to reconvene following the April 2 open house to discuss public feedback and prepare its final proposal for presentation to Council in May.

Mayor Marshall said she has heard many compliments from CAC members and residents regarding staff's efforts on this project. She is pleased with the level of community involvement and noted that 150 citizens participated in three public meetings held January 15, 16, and 17 at Sammamish High School, in addition to the meetings mentioned by Ms. Kuhn.

Mr. Mosher praised the efforts of dedicated residents and staff for their work on this project.

- (c) Resolution No. 6683 authorizing execution of an interlocal agreement establishing the E-Gov Alliance with the cities of Bothell, Burien, Issaquah, Kenmore, Kirkland, Mercer Island, Sammamish, and Woodinville.

Mr. Sarkozy opened the discussion of a multi-jurisdictional effort led by the cities of Bellevue and Mercer Island to establish an E-Gov Alliance that will help facilitate customer access to municipal services. He thanked Toni Cramer, Chief Information Officer, for her leadership in this extensive collaborative effort.

Ms. Cramer said the essence of the E-Gov project is to change the way that cities do business. The Alliance's vision is focused on customer service, innovation, collaboration, and the leveraging of investments through the economies of scale created by a partnership. The goal is to create a portal that will allow citizens to access information easily and quickly. As an example, Ms. Cramer described how she readily found information about sledding at state snow parks and purchased a day-use permit on a recent Saturday morning using the Washington state portal. She described the Alliance's goal to create one web-based portal or gateway providing access to information and services for multiple cities.

Ms. Cramer said the first service users will see on the portal is MyBuildingPermit.com. This will allow citizens to submit routine permit transactions with nine jurisdictions from one web site. The transaction piece of the site will be launched by mid-April. Staff will update Council on the project at that time.

Ms. Cramer recalled staff's presentation to Council last fall about an E-permitting application. At that time, Council endorsed a set of guiding principles for establishing these customer service partnerships. Ms. Cramer described how the proposed E-Gov Alliance interlocal agreement fits with the guiding principles established by Council. The first two principles are equitable cost sharing and shared risk. Ms. Cramer said the interlocal agreement outlines three levels of participation/membership with fees based on proportional population. A "late comer" fee has been established to encourage early investment by potential member cities. The agreement clearly defines roles and responsibilities.

Ms. Cramer explained that Principal members will co-own all assets including software, hardware, and the web site design. The second level of membership is a Subscriber, which is a city that purchases a service or application through the Alliance but has no right to participate in the governance of the Alliance. Cities can also choose to become a Basic Member in order to participate in and receive the benefits of all Alliance functions, projects, programs, and partnerships. Cities will be allowed to move between membership levels by paying the additional fees.

Ms. Cramer said the City of Bellevue will save approximately \$350,000 over the next five years by participating in the Alliance instead of attempting a similar venture on its own. This

represents a substantial savings to taxpayers when calculated for all nine cities. Some of the smaller cities would not be able to provide this level of service without the Alliance.

Ms. Cramer said another guiding principle adopted by Council is that each city's intellectual property is protected. The interlocal agreement contains a number of provisions to ensure this protection. Ms. Cramer noted two changes to the revised version of the agreement provided in Council's Desk Packet:

Page 5 VI. General Provisions – Indemnification/Hold Harmless – The last two sentences were added to address claims that could arise regarding intellectual property and breach of contract issues.

Page 6 Work Product/Confidentiality – The last two sentences were added to clarify that a Principal is still bound by the confidentiality clause even if it decides to leave the Alliance.

The final guiding principle is that each city retain control and flexibility. Ms. Cramer said each city is responsible for its back-end integration. However, Microsoft is providing \$20,000 in technical services to assist with this integration. Each city is responsible for its own system and retains control over internal processes and policies. Ms. Cramer noted that the E-Gov Alliance is consistent with the City's core values of exceptional public service, stewardship, and innovation.

Deputy Mayor Degginger commended Ms. Cramer for her efforts and expressed support for the E-Gov Alliance project.

Responding to Mr. Creighton, Ms. Cramer said the City of Redmond was initially unable to participate in the E-Gov project because its information services department was understaffed and working hard to complete a list of Council priorities. She hopes Redmond will be able to join the Alliance in the near future.

Mr. Mosher is pleased with the flexibility provided for each participating city within the Alliance.

Mr. Lee expressed support for the collaborative approach and the emphasis on customer service using technology. Responding to Mr. Lee, Ms. Cramer explained that the portal solution does not require web front-end integration with every city's electronic systems. For example, rather than provide a direct connection to a city's electronic permit system, a city could structure their permit access so they receive a fax every morning of the requests submitted via the multi-city portal. Ms. Cramer said the project team is working with the vendors of each application and Microsoft to design workable interfaces for each city. She said it is likely the Alliance will adopt application standards in the coming years to ensure that future applications can be easily integrated.

Mayor Marshall said a key advantage of the project is that it will eliminate the need for many trips to and from City facilities and enhance overall customer service.

- ➡ Mr. Mosher moved to approve Resolution No. 6683, and Mr. Noble seconded the motion.
- ➡ The motion to approve Resolution No. 6683 carried by a vote of 7-0.

(d) Regional Issues

Planning Director Dan Stroh provided an update on the development of population and employment targets as required by the Growth Management Act. This is the first time cities and counties will be updating their targets since they were first established in 1994. Earlier this year, the State issued a new 20-year population forecast based on the results of the last census. The new population and employment targets will ultimately be adopted into King County's Countywide Planning Policies and each jurisdiction's Comprehensive Plan. An interjurisdictional group has been working to review both the guiding principles of this effort and the actual target allocations.

Mr. Stroh reviewed the following principles of the target allocation effort:

- Ensure all jurisdictions share responsibility.
- Reinforce regional growth strategy – maintain urban growth boundary, minimal growth in rural areas, and efficient use of land.
- Allocations should be based on available land capacity and the market.
- Attempt to improve jobs/housing balance.
- Recognize that targets are a commitment to accommodate growth by the private sector.

Mr. Stroh reviewed the proposed methodology, which assumes that 96 percent of all growth will occur in urban areas. Regional allocations are divided into three areas – Eastside, Southside, and Seattle/Shoreline area. Population targets are assigned proportionate to the predicted job growth in each area. Once 2022 population estimates are developed, the numbers will be converted into the number of households to be added. Mr. Stroh noted that household size varies for the three areas. Southside households are the largest (2.49 people per household), Seattle's are the smallest (2.06 per household), and Eastside households reflect an average of 2.38 people.

Mr. Stroh said the State's 20-year population growth projection for King County is 294,000 people. The proposed distribution of this urban growth is allocated as follows: Eastside, 38 percent; Seattle/Shoreline, 33 percent; Southside, 28 percent; and rural cities, 2 percent. These figures are proportional to the level of job growth expected in each of the county areas. Based on draft regional allocations, the Eastside is expected to add 29,000 new households by 2022.

Mr. Stroh said the allocation process raises issues about the ability to provide adequate infrastructure to serve a growing population. He said there is a need to clarify the obligation of cities in meeting targets, since actual development is provided by the private sector. He noted that employment targets will be addressed later in the process.

Mr. Stroh reviewed the next steps in the process:

- April – Interjurisdictional group reports to Growth Management Planning Council (GMPC).
- June – GMPC reviews draft target numbers by jurisdiction.
- GMPC will then make recommendations to King County Council.
- The County Council adopts targets as amendments to Countywide Planning Policies.
- Ratification requires 30 percent of the jurisdictions representing 70 percent of the population.
- Cities adopt final targets into their Comprehensive Plans.

In response to Dr. Davidson, Mr. Stroh agreed that commute trips are inevitable. However, the intent behind balancing housing units and jobs is to reduce traffic congestion and enable people to live closer to jobs as much as possible. Dr. Davidson observed that many people commute from Pierce and Snohomish Counties to work in King County. He wondered if this has any impact on the development of population and job targets for King County. Mr. Stroh noted that population targets would be higher for King County if based strictly on the number of jobs. He said King County will continue to experience an influx of workers from neighboring counties.

Deputy Mayor Degginger feels there should be a link between the achievement of growth targets and infrastructure incentives, particularly with regard to much needed transportation facilities and water supply.

Mr. Lee acknowledged that the concept of balancing housing and jobs is well intended. However in reality, people generally do not change their place of residence every time they change jobs. He noted that even if housing units are added, they are often unaffordable to a large sector of the population due to the local market. He supports the use of targets as a tool, but not as requirements to be imposed on local government when jobs and housing units are developed primarily by the private sector.

Mr. Mosher expressed concern that the current allocation approach by subarea sidesteps the need for the State to upgrade and expand regional transportation facilities. He suggested an alternate approach in which housing and jobs would be balanced along transportation corridors rather than within subareas. He noted that even if housing units are added, there is no guarantee they will be affordable. Mr. Mosher agreed with Mr. Degginger that infrastructure “rewards” should be provided as incentives for cities to meet growth targets. He feels the State is not fulfilling its infrastructure obligations, particularly with regard to transportation facilities.

Mr. Creighton concurred with Mr. Degginger regarding infrastructure incentives for meeting growth targets. Mr. Stroh said a planning directors group is working on this issue and understands the need for a clear policy linkage between targets and infrastructure.

Responding to Mayor Marshall, Mr. Stroh confirmed that targets will ultimately be established for each city within the three subareas. She suggested that Council develop an interest statement on the allocation process to guide future policy review and development. She emphasized the need for countywide recognition that incentives should be provided for cities that meet growth targets.

Deputy Mayor Degginger would like staff to develop draft Countywide Planning Policies to be proposed with respect to transportation and water supply needs. He discussed the need for

policies to guide the review of comprehensive plans and to set the tone for the region's plans for accommodating anticipated growth.

Mr. Lee noted Council consensus regarding the need for more discussion about balancing housing and job targets. He is skeptical that there is enough land available to accommodate full implementation of the targets through 2022. He feels citizens probably do not understand the full implications of the allocation process.

Responding to Dr. Davidson, Mr. Stroh said the urban growth boundary is a potential topic for discussion in the current allocation process. However, at the regional level, there is little support to change the boundary at this time. Mr. Stroh said many communities are able to accommodate more growth within existing zoning capacities. Dr. Davidson noted that constraints on development imposed by the Endangered Species Act and similar legislation present further challenges.

Mayor Marshall said some people interpret the Growth Management Act to mean that no additional impervious surfaces, in the form of roads, can be built. The idea is to limit roads and highway systems while focusing on increasing density. Mrs. Marshall feels expansion of the urban growth boundary must be discussed if government entities are unwilling to widen I-405 or provide adequate transit. If cities are required to increase density, they must be allowed to improve infrastructure in a way that will properly support the growth. Mrs. Marshall reiterated the need for Council to develop an interest statement on these issues.

Mr. Mosher questioned any efforts to educate citizens about the allocation process. He feels residents do not understand that Bellevue's focus on downtown growth is designed to protect the neighborhoods. Instead, some residents are becoming increasingly anti-growth. Mr. Stroh said messages have not been prepared for the public as it is early in the process. Mr. Mosher would like staff to demonstrate for citizens the advantages of Bellevue's growth pattern compared to other potential patterns. Mr. Stroh agreed this is an important issue. Mr. Creighton observed that citizens do not want urban sprawl, but they also do not want increased density.

Responding to Mr. Noble, Mr. Stroh said staff will have additional discussions with Council before draft allocation targets are presented to the GMPC in June.

Moving on to the regional transportation update, Transportation Director Goran Sparrman introduced two Sound Transit staff – Executive Director Joni Earl and Policy and Planning Officer Paul Matsuoka. Mr. Sparrman said City staff will provide an update on activities since Council adopted its Regional Transportation Vision in the fall of 1999.

Bernard van de Kamp, Transportation Regional Project Manager, displayed a map of the region's metropolitan centers (including Downtown Bellevue) and urban centers. He noted that Bellevue's downtown is evolving from an office and retail center to more of a traditional downtown with increasing residential development. Downtown employment is expected to double by 2020. Despite the transportation investments to be implemented over the next 20 years, there is a need for expanded transit service to serve the community.

Kim Becklund, Transportation Regional Policy Manager, reviewed the four components of the Regional Transportation Vision: freeways, regional bus, HOV/carpool, and high-capacity transit. For the freeways component, policy objectives established in 1999 highlighted the need for adequate general purpose and HOV lane capacity, improved freeway-to-freeway linkages, and better access for Bellevue's activity centers.

Mr. van de Kamp said a key accomplishment since 1999 is the recognition of the need for expanded freeway capacity, which is reflected in the Metropolitan Transportation Plan (MTP) – Destination 2030. He said the Final EIS (Environmental Impact Statement) for I-405 was released last week and calls for two additional lanes in each direction and substantial improvements to downtown Bellevue and other urban centers along the corridor. The Trans-Lake Washington planning effort for SR 520 continues to move forward and the environmental review is underway. The state legislature is working to provide options for statewide transportation packages to fund major projects. Ms. Becklund noted that 90 percent of the MTP projects within the first 10 years of the Destination 2030 Plan are focused on improving general purpose capacity.

Moving to the HOV component, Ms. Becklund said the 1999 vision statement addressed the need to improve HOV access to freeways, improve freeway-to-freeway HOV linkages, and enhance park and ride capacity. She reported that regional HOV projects are moving forward and park and ride plans include expansion of the Eastgate facility and a new lot at Issaquah Highlands.

Turning to the regional bus component, Ms. Becklund said the original policy objective recognized the need for improved transit service in Bellevue and other Eastside cities. Mr. van de Kamp said the City's discussions with King County Metro resulted in the largest increase in Eastside transit service this past fall. Sound Transit's Sound Move program (regional express service) is almost fully implemented for East King County. Mr. van de Kamp said the I-90 two-way transit/HOV project represents an additional opportunity for enhanced bus service. Metro and Sound Transit both plan further investments in Eastside transit in the coming years.

Ms. Becklund said Bellevue's transportation vision includes high-capacity transit across both Lake Washington bridges with connections to Redmond and the Overlake area as well. Mr. van de Kamp said the Downtown Implementation Plan recognizes an enormous future need for transit, which may or may not be high-capacity transit. Sound Transit's Phase II planning provides opportunities for substantial Eastside investments. High-capacity transit is included in both the I-405 preferred alternative and the Trans-Lake Washington (SR 520) project. The I-90 two-way transit/HOV project could also enable the future implementation of high-capacity transit.

Mr. Sparrman asked Sound Transit staff to review their plans. Ms. Earl noted that Councilmember Mosher has quickly assumed an active role on the Sound Transit Board. Mr. Matsuoka distributed a set of handouts summarizing Sound Transit's regional plans. The original 1995 plan emphasized light rail with some regional bus service. It was later determined that the 1995 plan was too expensive, too Seattle-centric, and contained too much rail service without enough buses. This led to the development of Sound Transit's subarea equity concept to

ensure that monies raised within a certain area of the region will be used for investments in that area.

Mr. Matsuoka reviewed a map depicting Sound Transit's long-range vision adopted in 1996. He referenced the list of East King County bus routes and noted that all routes have been implemented as promised with the exception of Route 522, which will begin service in September 2002. Mr. Matsuoka briefly reviewed a list of East Subarea Phase I projects. He noted Sound Transit's position that I-90 is the preferred bridge for potential light rail service and bus rapid transit is the preferred technology for SR 520.

Ms. Earl said the North and South Subareas are on schedule to complete Phase I in 2009 instead of 2006 as originally projected. She said Councilmember Mosher serves on a Sound Transit Board task force that is currently reviewing plans and timing for Phase II. Revenues for the East Subarea are running ahead of projections, while some areas of Pierce and Snohomish Counties are experiencing restricted resources. The Board is evaluating all of these issues to determine how best to proceed with Phase II planning.

Mr. Sparrman said the next steps for Bellevue include:

- Refine Council's position on new high-capacity transit initiatives. Develop Phase II interest statement.
- Prioritize new Eastside transit investments.

Responding to Mr. Creighton, Ms. Earl said Phase I resources can only be used to fund projects approved in the Phase I plan by voters.

Dr. Davidson questioned Sound Transit's ability to continue to collect revenues without a Phase II plan in place. Ms. Earl said the Sound Transit Board is currently grappling with this issue.

Mr. Lee noted the East Subarea's excess revenues and expressed support for continuing with the subarea allocation/equity approach. Ms. Earl said the Board is not considering any proposals to reallocate the funds, but the issue is more one of timing and when the funds might be available for expenditure.

Mr. Lee questioned Sound Transit's flexibility to explore new transportation technologies. Mr. Matsuoka said Sound Transit has focused on proven technologies. However, a research and technology fund was established by the prior Sound Transit Board for the future study of alternate technologies. The Phase II task force will review this fund and determine if it is a priority for the current Sound Transit Board.

In response to Mr. Noble, Ms. Earl confirmed there has been limited borrowing of funds between subareas. Subareas earn interest if they choose to extend loans to another subarea and the loans are repaid on an annual basis.

Mr. Noble questioned the ability to fund projects not currently on the Phase I list. Ms. Earl said it is possible to add new projects if a project contributes to the overall high-capacity transit

mission and utilizes revenues collected through 2006. Responding to Mr. Noble, Ms. Earl said funding for the R8A alternative on the I-90 bridge is yet to be determined. Mayor Marshall noted that \$18 million spent to date was funded by the East Subarea. Mr. Matsouka said Eastside cities agreed to this use of funds. He added that funding for the I-90 project will be worked out with the Washington State Department of Transportation, which has responsibility for funding HOV lanes.

Ms. Becklund said the I-90 project will benefit citizens on both sides of Lake Washington and throughout the region. The project team will aggressively seek federal and state funding and plans to use the surplus Sound Transit East Subarea funds only as a last resort.

Responding to Dr. Davidson, Ms. Earl said the Sound Transit Board is not currently in agreement about when to place Phase II on the ballot. Mr. Matsuoka said there could be an opportunity for Sound Transit to be included in a regional transportation ballot measure this fall.

In response to Deputy Mayor Degginger, Mr. Matsuoka said a consultant is currently compiling a list of potential Eastside projects that could be completed before 2006. He said this raises the issue of spending the money now on smaller projects or saving the money for future larger projects.

Mayor Marshall said the Eastside Transportation Partnership has been discussing the use and prioritization of surplus East Subarea funds. Once the Sound Transit Phase II task force completes its work, she suggested the Sound Transit Board consider establishing a subcommittee to focus on project advocacy. Mrs. Marshall said ETP wants to continue its involvement in these discussions.

Mrs. Marshall said development of a Council interest statement on Phase II will help guide Council and staff in their regional transportation work. She acknowledged Council's interest in further discussions but noted the need to proceed through the evening's agenda.

At 9:40 p.m., Mrs. Marshall declared a 10-minute break. The meeting resumed at 9:46 p.m.

➡ Deputy Mayor Degginger moved to extend the meeting to 10:30 p.m., and Mr. Mosher seconded the motion.

➡ The motion to extend the meeting to 10:30 p.m. carried by a vote of 7-0.

Diane Carlson, Director of Intergovernmental Relations, welcomed Bob Mack and Mike Doubleday, lobbyists, to present the final update of the state legislative session. Mr. Doubleday said Senate Bill 6347 is the statewide transportation expenditure bill. The package includes funding for I-405 (\$1.77 billion), SR 520/Translake project (\$100 million), and I-90 two-way HOV lanes (\$10 million). House Bill 2969 is the corresponding revenue bill that includes proposals for a 9 cent gas tax increase, a 30 percent surcharge on the gross weight portion of the combined licensing fee for trucks and large vehicles, and a one percent sales tax on new and used vehicles. An item covering both bills will be presented for voter approval on the November 2002 ballot.

Mr. Doubleday explained that Senate Bill 6140 is the regional transportation bill. It permits King, Pierce, and Snohomish counties, or two contiguous counties of the three, to form a regional transportation investment district for the purpose of raising additional revenues to finance transportation projects.

Mr. Mack said no major water bills were introduced during the session. However, the legislature passed House Bill 2993 which liberalizes the use of industrial reused water. In response to Dr. Davidson, Mr. Mack noted two funding items: 1) \$200,000 in watershed planning funds to assist the Central Puget Sound Water Initiative, and 2) language in the budget providing \$189,000 for the Department of Ecology and the Governor's Office to perform water-related studies.

Mr. Doubleday said the City Revenue Authority bill (B&O bill) died in the legislature.

Turning to growth management, Mr. Mack said Substitute Senate Bill 5841, which extends the time lines for required comprehensive planning updates, has been delivered to the governor. The bill changes the update interval from five to seven years and extends the current September 2002 update deadline to December 2004. Local governments that meet the update schedule will be given preference for state grants and loans for public facilities. House Bill 2846 will make compliance with the buildable lands evaluation requirement in the Growth Management Act voluntary if the state does not provide at least \$2.5 million per biennium to implement the program.

Mr. Doubleday said King County's efforts to pass a countywide utility tax never came to a vote in the House. The initiative was opposed by cities, public utility districts, and various businesses. In the final days of the session, the legislature provided \$8 million in I-695 backfill funds for the hardest hit cities. Bellevue is not included in the list.

Ms. Carlson noted that a parks district bill was passed which provides new opportunities for the creation of parks districts. King County has established a citizens task force to discuss the creation of a metropolitan parks district.

Mayor Marshall said this measure could enable Bellevue to acquire state and/or county parks. She suggested that Council discuss the policy implications of King County's efforts to create a metropolitan parks district.

Mr. Mack said two jail bills are scheduled to be signed by the governor on March 26. The bills allow two or more local governments to form a regional jail facility and sanction the transfer of inmates to jails in other counties.

Mayor Marshall noted that she was recently appointed to the National League of Cities Transportation Committee and she has applied to serve on the TEA-21 (Transportation Efficiency Act - 21st Century) Reauthorization Task Force.

(e) Capital Investment Program (CIP) Quarterly Update

Discussion of this item was postponed.

- (f) Access Downtown proposed cost sharing agreement with Sound Transit and the Washington State Department of Transportation for constructing the I-405/Downtown Access interchange project improvements.

Mr. Sparrman said Council will be asked to take action on this item on May 6. The City of Bellevue, Sound Transit, and the Washington State Department of Transportation recommend entering into an agreement that: 1) establishes procedures for meeting contract obligations as Downtown Access project improvements are constructed, and 2) clarifies the limit of responsibility in obligating additional funding should it be necessary to complete the improvements. The objectives of the agreement are to apply a fair revenue policy providing funding for desirable outcomes and to ensure sound financial management strategies to meet program objectives and City policies regarding risk allocation.

Mr. Sparrman reviewed the major components of the Downtown Access project along I-405: SE 8th Street interchange, NE 8th Street structure, NE 4th Street structure, and HOV direct access improvements at NE 6th Street. Mr. Sparrman said risk allocation principles provide appropriate program reserves and a risk allocation agreement. A third party is reviewing project cost estimates.

Turning to the specific risk allocation breakdown, Mr. Sparrman said WSDOT is currently out of money under the existing state budget law. Assuming a new WSDOT budget law and/or approval of statewide revenues, the risk allocation is proposed as follows:

- City of Bellevue 17%
- WSDOT 17%
- Sound Transit 66%

Under current WSDOT budget law, the risk allocation would be as follows:

- City of Bellevue 20.5%
- Sound Transit 79.5%

➡ Deputy Mayor Degginger moved to extend the meeting to 10:40 p.m., and Mr. Mosher seconded the motion.

➡ The motion to extend the meeting to 10:40 p.m. carried by a vote of 7-0.

Deputy Mayor Degginger questioned why the lead project management agency, WSDOT, is not assuming more risk in the cost sharing agreement. Mr. Sparrman explained that this project has been planned by Bellevue for 15 years and it was only in the past few years that WSDOT agreed to become a project partner. WSDOT is contributing \$10 million to the project while Sound Transit is contributing \$108 million, which represents the 66 percent allocation. The City is contributing CIP funds and has also secured federal and state grant monies.

Responding to Mr. Degginger, Mr. Sparrman said although WSDOT is the project management lead, decisions are made by the project team. He noted that WSDOT is the only agency of the three with the tools and expertise to manage this large, complex project.

Council will discuss the issue further on May 6 [Schedule subsequently changed to May 13].

At 10:37 p.m., Mayor Marshall declared the meeting adjourned.

Myrna L. Basich
City Clerk

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